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NEA FOR FRONT OFFICE AND IPA; NSC FOR ABRAMS/DORAN/WATERS

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TAGS: PREL KWBG PBTS KHUM KPAL IS

SUBJECT: U/S BURNS DISCUSSES NUG AND NEED TO WORK WITH
ISRAEL WITH FAYYAD AND ABED RABBO

Classified By: Consul General Jake Walles, per reasons 1.4 (b) and (d)

¶1. (C) Summary. In a January 20 meeting in Jerusalem with U/S Nicholas Burns, PLC member Salam Fayyad and PLO Executive Committee Member Yasser Abed Rabbo put the Fatah-Hamas struggle in the context of the regional Iranian threat. They discussed the possibility that PA President Mahmoud Abbas (Abu Mazen) would agree to a Palestinian National Unity Government (NUG) with Hamas, and Fayyad suggested that if the current Hamas-led government does not fail on its own, Abu Mazen should again consider dismissing it. Fayyad added that Hamas will be a problem as long as Iran and Syria use it to interfere in Palestinian affairs. End summary.

NUG: Viable Option

¶2. (C) PLO Executive Committee member Abed Rabbo told Under Secretary Burns January 20 that Fatah must control key

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ministries if a NUG is formed. Abed Rabbo argued that the public will give Abu Mazen and Fatah the credit if a NUG improves the current difficult situation. PLC member Salam Fayyad agreed, but emphasized that the negotiations over a NUG must conclude quickly, one way or the other. If a NUG is not possible, Abu Mazen must be decisive and consider dismissing the current government. Fayyad said Abu Mazen should try to create a NUG that includes Hamas, in order to minimize its power. (Comment: Based on our other conversations with Fayyad, such a government would only be acceptable to him if it meets Quartet requirements. End Comment). If he cannot erode Hamas' power in this way, Abu Mazen should dismiss the government. Fayyad recommended external support must be targeted to help Abu Mazen even at the cost of easing the burden somewhat on the Hamas-led government. He said that only actions and not words from the international community will strengthen Abu Mazen at this point.

Negotiations with Israel Important

¶3. (C) Fayyad explained that Palestinians must consider their strategy in the context of regional issues and the Iranian threat. He argued that the PA must cooperate with the GOI for this reason even if a strategic relationship with Israel is impossible while the occupation persists. He said the starting point for such a relationship is better now than in the past. Fayyad and Abed Rabbo said the results of previous negotiations, including Camp David, Taba, and informal discussions such as those in Geneva, should not be discarded. Abed Rabbo said the refugee issue can be resolved within a Palestinian state along 1967 lines. He rejected provisional borders and said a temporary solution will only

perpetuate the problem. Abed Rabbo said the GOI needs a more comprehensive approach to security, addressing it from a regional point of view and not "a soldier on each hilltop." Fayyad added that both sides must "move fast." He said the GOI is more open now to talk about issues than in the past, and it recognizes the step-by-step approach did not work.

Regional Assistance

¶4. (C) Fayyad and Abed Rabbo agreed the situation will not improve without regional help. Fayyad said efforts must be made to keep the Arabs focused on supporting Abu Mazen and on starting a political process with Israel. Abed Rabbo stressed that it is particularly important to have Egypt's support. He said that Syria is attempting to affect the Palestinian situation for better or worse. Fayyad added that dealing with Hamas will be a long-term problem, and said that until Iran and Syria are dealt with, Hamas will continue to be a problem.

WALLES